

**PUBLIC UTILITIES COMMISSION**

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March 4, 2022

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Ratesetting**TO PARTIES OF RECORD IN RULEMAKING 21-02-014:**

This is the proposed decision of Administrative Law Judge Camille Watts-Zagha. Until and unless the Commission hears the item and votes to approve it, the proposed decision has no legal effect. This item may be heard, at the earliest, at the Commission's April 7, 2022 Business Meeting. To confirm when the item will be heard, please see the Business Meeting agenda, which is posted on the Commission's website 10 days before each Business Meeting.

Parties to the proceeding may file comments on the proposed decision as provided in Rule 14.3 of the Commission's Rules of Practice and Procedure.

The Commission may hold a Ratesetting Deliberative Meeting to consider this item in closed session in advance of the Business Meeting at which the item will be heard. In such event, notice of the Ratesetting Deliberative Meeting will appear in the Daily Calendar, which is posted on the Commission's website. If a Ratesetting Deliberative Meeting is scheduled, *ex parte* communications are prohibited pursuant to Rule 8.2(c)(4).

/s/ ANNE E. SIMON

Anne E. Simon

Chief Administrative Law Judge

AES:nd3

Attachment

Decision PROPOSED DECISION OF ALJ WATTS-ZAGHA (Mailed 3/4/2022)

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Order Instituting Rulemaking to
Address Energy Utility Customer Bill
Debt Accumulated During the
COVID-19 Pandemic.

Rulemaking 21-02-014

**DECISION REQUIRING DEVELOPMENT OF COMMUNITY BASED
ORGANIZATION CASE MANAGEMENT PILOT PROGRAM TO REDUCE
ARREARAGES ASSOCIATED WITH THE COVID-19 PANDEMIC**

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Appendix A – Composition of Community Based Organization Arrears Case Management Pilot Working Group

Appendix B – Straw Proposal and Questions to Be Addressed by Community Based Organization Arrears Case Management Pilot Working Group

Appendix C – Investor-Owned Utilities’ Community Based Organization Network Template as of February 18, 2022

Appendix D – Targeted Communities for Community Based Organization Arrears Case Management Pilot

**DECISION REQUIRING DEVELOPMENT OF COMMUNITY BASED
ORGANIZATION CASE MANAGEMENT PILOT PROGRAM TO REDUCE
ARREARAGES ASSOCIATED WITH THE COVID-19 PANDEMIC**

Summary

This decision provides a framework to establish and operate a Community Based Organization (CBO) Case Management Pilot Program (CBO Pilot). The CBO Pilot is designed to operate in targeted California communities where, during the first year of the COVID-19 pandemic, electric bills were highest relative to the available resources of the community.

The CBO Pilot is intended to serve customers who would otherwise continue to face difficulty in resolving their utility bill debt once the statewide relief distributed to utilities is applied to customer accounts. The statewide relief program requires energy utilities to apply relief funds to customer accounts by the end of March 2022. Pursuant to the relief program, the energy utilities are prohibited from disconnecting customers in receipt of relief for 90 days after the funds are applied.

We will establish a CBO Pilot Working Group to guide and oversee the development of the program, including selection of the CBOs in the targeted communities. We identify Pacific Gas and Electric Company (PG&E) to convene the CBO Pilot Working Group and require representatives from a variety of advocacy groups, oversight boards, and CBOs to participate in the CBO Pilot Working Group. We expect approximately 12,000 customers to receive case management services from the CBO Pilot, with the CBO Pilot Working Group recommending a specific number in the proposal to be filed in R.18-07-005. We also expect retention of these customer accounts in good standing, and require an update on the status of the customer's utility account within a year past the debt resolution mark.

Today's decision also requires the CBO Pilot Working Group to consider and propose a budget, payment structure, and evaluation method for the CBO Pilot. The budget, payment structure, and evaluation method for the CBO Pilot will be filed as the CBO Pilot Working Group's formal proposal for the CBO Pilot by PG&E in the *Order Instituting Rulemaking to Consider New Approaches to Disconnections and Reconnections to Improve Energy Access and Contain Costs*, Rulemaking (R.) 18-07-005. Assessment of and issuance of a proposed decision for the CBO Pilot will occur in R.18-07-005.¹

This decision closes the instant proceeding and transfers all remaining issues and implementation to R.18-07-005.

The proceeding is closed.

1. Background

This Rulemaking was established to address customer debt associated with the COVID-19 pandemic. In summer 2021, we ordered energy utilities to automatically allow customers two years over which to pay off outstanding utility bill debt through payment plans. Subsequently the state's California Arrearage Payment Program (CAPP)² distributed to the energy utilities enough funding to reduce each residential customer's debt (the same debt wrapped up in payment plans) by more than half, as displayed below in Section 3.4.³

¹ Any party to this proceeding that intends to participate in development of or comment on the CBO Pilot should seek party status in R.18-07-005.

² CAPP (Assembly Bill 135, Chapter 85, Statutes of 2021) is codified in Government Code Section 16429.5.

³ CAPP relieves utility bill debt associated with billed service between March 2020 and June 2021. The Commission's COVID-19 Payment Plans covers utility bill debt accumulated at any time before September 30, 2021. Some customers may have continued to accumulate utility bill debt since October 2021, for which neither CAPP nor the Commission's COVID-19 Payment Plans apply, with a few exceptions. CAPP rules are available on the California Department of

At the same time in D.21-06-036, we acknowledged the extra time afforded by payment plans may not be sufficient for certain customers to resolve their utility bill debt. To enhance the likelihood of success in eliminating utility bill debt, we paired payment plans with intensive follow-up efforts by CBOs. Examination of the existing CBO networks revealed the current services provided by CBOs do not include case management, a necessary service to help customers navigate the variety of assistance and relief options developed during the COVID-19 pandemic.

We have identified case management as missing from the existing CBO networks. The cost for case management is relatively high, and the need to nurture and build CBO capacity takes time, therefore we start to tackle this issue by targeting and prioritizing a limited number of communities, and customers, for CBO assistance for purposes of the initial CBO Pilot. The two targets for CBO case management are (1) communities where electricity is most unaffordable in California; and (2) customers at highest risk of disconnection, in accordance with investor-owned utility (IOU) disconnection policies and practices.

1.1. Procedural Background

On October 18, 2021, the assigned Commissioner issued a Ruling and Staff Proposal, setting a workshop and comment cycle in November 2021 to address the role of CBOs. On November 9, 2021, Commission staff conducted a workshop to facilitate discussion on how to expand and grow the CBO networks (November 9, 2021 Workshop). On November 18, 2021, PG&E, San Diego Gas & Electric Company (SDG&E), Southern California Edison Company (SCE), Southern California Gas Company (SoCalGas), The Utility Reform Network

Community Services and Development (CSD) website at <https://www.csd.ca.gov/Pages/CAPP.aspx>.

(TURN), California Community Choice Association, jointly Leadership Counsel for Justice and Accountability (Leadership Council)/California Environmental Justice Alliance (CEJA)/The Greenlining Institute (Greenlining), Small Business Utility Advocates (SBUA), the Center for Accessible Technology (CforAT), and the Public Advocates Office at the California Public Utilities Commission (Cal Advocates) filed opening comments. On November 30, 2021, the IOUs, TURN, Utility Consumers Action Network, SBUA, and CforAT filed reply comments. The case was submitted on November 30, 2021.

1.2. Existing IOU CBO Networks

In the Phase I decision in this proceeding,⁴ we ordered the IOUs to systematically display where and how they currently engage CBOs. Through a series of filings beginning in August 2021 and ongoing, the IOU display of CBO information (IOU CBO Network Template) was accepted by the Commission's Energy Division.⁵

For each CBO, the IOU CBO Network Template displays

- Location/communities served⁶
- Payment mechanisms⁷

⁴ D.21-06-036.

⁵ By non-standard disposition letter dated December 17, 2021, the Commission's Energy Division approved the joint utility Supplemental Advice Letter (AL) 5857-B, *et al.* (SoCalGas AL 5857, SDG&E AL 3839-E/3010-G, PG&E AL 4483-G/6407-E, SCE AL 4577-E), effective November 5, 2021. AL 5857-B, *et al.* was the second supplemental filing on CBO reporting/mapping that replaced AL 5857-A in its entirety.

⁶ At the Commission's request, all IOUs continue to solicit locations served by zip codes from CBOs. The IOUs also provide the information of city and county associated with each zip code served. The IOUs also provide the information of city and county associated with each zip code served.

⁷ Whether paid, and if so, the payment mechanism and frequency of the payment. Payment mechanisms include contract, grant, fee based, purchase order, stipend, and external funding (i.e. LIHEAP).

- CBO services generally provided
- IOU programs about which the CBO provides information to clients
- Characteristics of the communities targeted “audience reach”

The IOUs indicate that the current IOU CBO Network Template may not include all CBOs supporting other ratepayer-funded program activities, such as the IOUs’ portfolio of demand-side management programs. For example, it appears that CBOs contracted for the San Joaquin Valley Disadvantaged Communities pilots⁸ are not included in the completed IOU CBO Network Template. The IOUs suggest that procedural steps must be taken in order to “determine the universe of proceedings and programs they would like to see included in the [IOU] CBO Network [Template].”⁹

The final IOU filing containing the approved IOU CBO Network Template, AL 5857-B, *et al.* states the intention for all of the IOUs to complete the template, as some have not tracked certain information. At this stage of development, the IOU CBO Network Template is the best available overview of the existing CBO networks, and we utilize this data in conjunction with other IOU reports of CBOs (such as monthly and annual low-income assistance reports)¹⁰ to build upon existing CBO networks as we establish this new CBO Pilot.

Based on the most recent update to data in the IOU CBO Network Template,¹¹ which remains under development, and the associated supplements

⁸ The Commission ordered to assist certain select communities in the San Joaquin Valley to retrofit their homes with gas and better manage their electric bills in D.18-12-015, further modified by D18-08-019 and D.20-04-006 in R.15-03-010.

⁹ AL 5857-B at 6.

¹⁰ The IOUs file monthly and annual low-income assistance reports for the California Alternate Rates for Energy (CARE), Family Electric Rate Assistance (FERA) and Energy Savings Assistance (ESA) Programs in the Application (A.) 19-11-003 proceeding docket.

¹¹ Most recent data is provided in Attachment C to this decision.

to AL 5857, *et al.* the IOUs have in place paid arrangements with the following number of CBOs.

Table 1: CBO Networks (as of February 18, 2022)

Utility	Total paid CBOs¹²	Total Annual Funding	Program budgets through which paid CBOs are funded
PG&E	81	Not specified	10+ programs (may include CARE/FERA/ESA, EV ¹³ , WE&T ¹⁴ , microgrids, PSPS, ¹⁵ LIHEAP ¹⁶)
SCE	138	\$250,000	CARE/ESA, PSPS, Rate choices, LIHEAP
SoCalGas	52	Not specified	CARE/ESA, Medical Baseline, LIHEAP
SDG&E	201	Not specified, although SDG&E provides a range paid to each CBO between \$750-\$6,000	CARE/ESA, Energy Efficiency, Rate Plans, EV, Medical Baseline, Wildfire Mitigation/PSPS, LIHEAP

D.21-06-015 authorized low-income assistance programs for the years 2021-2026.¹⁷

¹² As well as LIHEAP LSPs which are not IOU-funded and instead are paid by the California Department of Community Services and Development (CSD).

¹³ Electric Vehicle.

¹⁴ Workforce, Education and Training.

¹⁵ Public Safety Power Shutoff.

¹⁶ Low-Income Home Energy Assistance Program.

¹⁷ In D.21-06-015, *see* Section 4.3, “CARE Marketing, Education, Outreach, and Leveraging.”

Included in the IOU CBO Network Template are 41 Low-Income Home Energy Assistance Program (LIHEAP) Local Service Providers (LSPs) statewide, and CARE Capitation contractors.¹⁸

The IOU CBO Network Template is included as Attachment C to this decision and on the CPUC Energy Arrearages website.¹⁹

1.2.1. Southern California Gas

SoCalGas views the CBO arrearage case management program as complimentary to their current CBO Marketing, Education and Outreach (ME&O) efforts. SoCalGas “expects to administer a request for proposal (RFP) for CBOs that can provide arrearage case management services.”²⁰

Currently, SoCalGas works with approximately 40 CBOs under a Memorandum of Understanding (MOU). Their CBO funding is authorized in D.21-06-015. SoCalGas states that the scope of work for current CBOs excludes case management services. While no case management services are provided, SoCalGas cites one-on-one customer contact, established through door-to-door canvassing, as a highly successful method of achieving new customer enrollments.²¹

1.2.2. SDG&E

SDG&E operates an Energy Solutions Partner Network with nearly 200 CBOs, which has grown from 25 CBOs over the past ten years. SDG&E

¹⁸ It is unclear whether the 27 Telecommunications Education and Assistance in Multiple Languages/Community Help and Awareness of Natural Gas and Electric Services (TEAM/CHANGES) CBOs are included in the IOU CBO Network Template.

¹⁹ <https://www.cpuc.ca.gov/consumer-support/consumer-programs-and-services/electrical-energy-and-energy-efficiency/energy-utility-arrearages>

²⁰ SoCalGas Reply Comments, dated November 30, 2021, at 2.

²¹ D.21-06-015 at 55.

utilizes a MOU to explain the agreement with each CBO. The amount per CBO ranges from \$750 to \$6,000 annually.

SDG&E is the only IOU asserting their CBOs have an ongoing approach to customer engagement.²² SDG&E expects their CBOs to help customers evaluate energy solutions and bill debt options and references the ongoing customer coaching identified in the Staff Proposal.²³

1.2.3. SCE

SCE calls its CBO activities “outreach and engagement.” Since 2019 SCE has contracted with 30 CBOs, utilizing a pay-for-performance model, to increase awareness about Time of Use rates and Income Qualified Programs, such as CARE, FERA and ESA. By 2021, SCE’s CBO network had expanded to 50 CBOs and includes awareness of wildfire mitigation. “SCE has prioritized some customer classifications, including hard-to-reach, DACs [Disadvantaged Communities], single family renters, hot climate zone customers, areas with low CARE penetration rates, as well as high poverty communities.”²⁴

SCE’s plans to expand partnerships generally do not include compensating the new partners. They cite strengthening partnerships with government public assistance programs such as Women Infants Children, Supplemental Nutrition Assistance Program, and Medi-Cal. SCE intends to explore “affinity partnerships with entities such as Association for the Advancement of Retired People (AARP), American Automobile Association (AAA), CVS, Walgreens, ...”²⁵

²² Reporter’s Transcript of November 9, 2021 Workshop at 46:14-28, 47:1-6.

²³ The Staff Proposal was issued with the assigned Commissioner Ruling dated October 18, 2021.

²⁴ D.21-06-015 at 50.

²⁵ D.21-06-015 at 52.

SCE's pay-for-performance structure for its CBOs provides tiered rates. SCE also makes capitation payments for program enrollments. SCE is in the process of considering RFPs similar to those currently out for PG&E.²⁶

1.2.4. PG&E

PG&E reports a multiplicity of efforts during COVID-19 to expand CBO ME&O. Prompted by the pandemic, PG&E attempted to expand CBO work beyond ME&O to better counsel customers in need. While it is not clear that PG&E transformed its CBOs from ME&O to case management, it is clear PG&E made attempts to direct CBOs to go beyond mass marketing and education. As reported, "[PG&E's] traditional marketing tactics will be complemented with one-on-one direct interactions with rural customers facilitated by CBO, door to door campaigns, health outreach workers, outreach through churches, faith-based groups, and other emerging opportunities."²⁷ Utilizing existing program funds as well as the COVID-19 Pandemic Protection Memorandum Account (CPPMA) to the extent necessary, PG&E solicited CBOs for new paid contracts in 2021. The first new contract is for CBOs to perform ME&O for multiple programs, and the second is to form a CBO Advisory Council, to provide foundational guidance on improving CBO effectiveness.²⁸ PG&E also reports CBO purchase orders and grants agreements from January/June 2021-March 2022.²⁹ Through most of 2021, PG&E paid about 25 CBOs \$120,000 for short-term work.

²⁶ Reporter's Transcript of November 9, 2021 Workshop at 44:21-24, 59:3-21.

²⁷ D.21-06-015 at 47-48.

²⁸ Reporter's Transcript of November 9, 2021 Workshop at 42:10-25.

²⁹ PG&E Opening Comments at 7.

In D.21-06-015, the Commission highlighted PG&E's proposal to train CBOs on "all equity programs including but not limited to CARE, FERA, ESA, Medical Baseline, Arrearage Management Plans (AMP), Relief for Energy Assistance through Community Help, rate options (Disadvantaged Communities Green Tariff), energy management tools, Self-Generation Incentive Programs and other assistance programs enabling CBOs to be knowledgeable about many program offerings for these households."³⁰

In 2022, PG&E will execute contracts for new CBO programs. Rather than set budgets or rates, PG&E expects CBOs to propose prices for their services.³¹

PG&E's CARE program is currently utilizing geographic targeting by finding zip codes with both low CARE penetration and high disconnection rates.

1.3. November 9, 2021 Workshop on Expanding CBO Networks

At the November 9, 2021 Workshop, CBOs and administrators of particular CBO networks presented best practices for working with CBOs, and also presented compensation models for CBO networks. Panelists with the Bay Area Air Quality Management District (BAAQMD), and East Bay Municipal Utility District (EBMUD), Marin Clean Energy (MCE), and Mixteco Indigena Community Organizing Project (MICOP) offered a non-utility perspective on CBO engagement, specifically identifying the need for ongoing feedback and course corrections. The IOUs, as administrators of CBO networks, offered perspectives on CBO engagement. Finally, administrators of CBO networks other than the IOUs described their compensation models, including Liberty Hill Foundation, the regional administrator and funding intermediary for

³⁰ D.21-06-015 at 64.

³¹ Reporter's Transcript of November 9, 2021 Workshop at 70:10-23.

EmPOWER; the Association of California Community Energy Services (ACCES), LIHEAP LSPs; BAAQMD; and Self Help for the Elderly, the lead administrator of TEAM/CHANGES.

1.3.1. LIHEAP Administered by the CSD

IOUs have been charged with leveraging the LIHEAP program for decades. Approximately 41 CBOs are federally funded through the LIHEAP program. LIHEAP is federally funded and administered by CSD. LIHEAP CBOs are known as LSPs. The 2021-2026 CARE/ESA decision³² approves the IOU plans to “continue” leveraging with CSD. Specific improvements to leveraging cited in this decision are streamline the pledging process (PG&E), greater exchange of information (PG&E),³³ providing customers the ability to submit final disconnection notices electronically to LIHEAP coordinators (SCE), implementing any process that can facilitate more rapid LIHEAP pledge deliveries (SCE)³⁴ (SoCalGas).³⁵

1.3.2. TEAM/CHANGES

TEAM/CHANGES targets customers for whom English is not their first language, providing consumer education and direct one-on-one assistance with resolving utility bill disputes and participating in utility programs. The lead administrator for the TEAM/CHANGES program is Self Help for the Elderly. Their director provided the history of the programs at the workshop. TEAM began in 2008 and CHANGES in 2011. Initially both programs were contracted through the IOUs but once the program moved out of the pilot phase and

³² D.21-06-015.

³³ D.21-06-015 at 49.

³⁴ D.21-06-015 at 53.

³⁵ D.21-06-015 at 57.

became permanent, the contracts were moved from the IOUs to the Commission. The annual budgets for TEAM and CHANGES include the cost of the lead administrator as well as approximately 27 CBOs. TEAM/CHANGES CBOs support both TEAM and CHANGES, with payments ranging between \$60,000-68,000 annually.³⁶ The CBOs perform outreach and education as well as complaint resolution and dispute resolution.

The Commission required the IOUs to fund and report on the CHANGES program through the CARE administrative budgets. CHANGES is budgeted at \$1,752,502 annually in the years 2021-2026.³⁷ The IOUs are currently obligated to report on CHANGES in their monthly and annual CARE reports and at the Low-Income Oversight Board meetings.³⁸ SoCalGas describes the services provided to SoCalGas customers by CHANGES CBOs as “non-CARE related assistance such as account set up, account changes, reconnections, bill payment assistance, payment plans and extensions.”³⁹

1.4. Other CBO Networks

The IOUs operate CBO networks that are not included in the IOU CBO Network Template, such as CBO networks supporting demand-side management programs. SCE provides charitable funding for, but does not operate, a CBO program called EmPOWER. EmPOWER operates a network of between 6-10 CBOs annually at approximately \$80,000 each. In addition to SCE, EmPOWER receives funding from the Los Angeles Department of Water and Power (LADWP), and additional sources. At the November 9, 2021 Workshop,

³⁶ Reporter’s Transcript of November 9, 2021 Workshop at 93:6-11.

³⁷ D.21-06-015 at 75.

³⁸ D.21-06-015 at 71 and D.15-12-047 at 28.

³⁹ D.21-06-015 at 72.

the representative from Liberty Hill (EmPOWER's regional administrator) stated that it would be simpler if they would be able to have one governmental funding source, but that hasn't been possible yet.⁴⁰ They also train their CBOs on over 40 programs that may be helpful to their clients.

1.5. Emergency Rental Assistance Program (ERAP) Test Case

During the pandemic, a new program became available to relieve utility bill debt associated with the COVID-19 pandemic: the ERAP. At the emergence of ERAP, we directed the IOUs to perform case management for a small sample group of customers, defined as communicating directly with customers until the customer received the ERAP grant to relieve their utility bill debt.⁴¹

We also directed weekly tracking and reporting of the key steps accomplished by the IOUs from start to finish.⁴² These reports are posted publicly on the Commission's website.⁴³ Finally, the IOUs presented their experiences case managing targeted customers⁴⁴ and interfacing with the external agency distributing the funds at an Evidentiary Hearing held May 27, 2021 in this proceeding.⁴⁵

⁴⁰ Reporter's Transcript of November 9, 2021 Workshop at 97:5-9.

⁴¹ ALJ Ruling dated April 5, 2021.

⁴² The IOUs report weekly on (1) number of customers identified, (2) number of customers agreed to apply, (3) number of customers applications submitted, (4) number of applications verified by program administrator, (5) number of applications in receipt of relief, (6) total dollar amount of relief, and (7) percentage of debt relieved.

⁴³ As directed, the IOUs submitted weekly reports available at a May 27, 2021 Evidentiary Hearing. The reports and the transcribed testimony are available on the Commission webpage Energy Utility Arrearages at <https://www.cpuc.ca.gov/consumer-support/consumer-programs-and-services/electrical-energy-and-energy-efficiency/energy-utility-arrearages>.

⁴⁴ Reporter's Transcript of May 27, 2021 Evidentiary Hearing at 119:1-20.

⁴⁵ Reporter's Transcript of May 27, 2021 Evidentiary Hearing.

As directed, PG&E, SCE, SDG&E and SoCalGas identified 250, 2,748, 182 and 101 customers, respectively, with high arrearage amounts that were good candidates for the ERAP program. Within a matter of 8 weeks, PG&E, SCE, SDG&E and SoCalGas reported 184, 267, 96 and 47 applications submitted by their customers. As of February 1, 2022, ERAP payments have been forthcoming for only 45, 37, 5, and 36 of the applicants, respectively. The average relief received by customers has been significant: \$2,821, \$875, \$718 and \$936 for PG&E, SCE, SoCalGas and SDG&E customers, respectively.

The lessons learned⁴⁶ from ERAP are:

- A wide pool of customers must be contacted in order to result in a few customers successfully applying for a program;
- Ongoing communication between the IOUs and the program administrator was necessary, especially in the first few weeks and months of the program to establish processes that met the needs of the utility and the program administrator;
- It is possible for the IOUs to identify customers with significant amounts of debt for assistance, and even to identify customers according to strict criteria not necessarily tracked by the IOUs (renters); and
- The utility bill issued to the customer presents a lump sum of utility bill debt without much explanation of how the debt was accrued and sources of payment on the debt in the past. To understand how payments were applied, the customer must have kept track of this separately over time and must reconcile all types and sources of payments to make sense of the utility bill.

⁴⁶ Reporter's Transcript of May 27, 2021 Evidentiary Hearing at 105-111.

2. Issues Before the Commission

The July 29, 2021 Ruling Amending the Scope elevated the issue of CBO engagement in the second phase of this proceeding. The Phase 2 scoped issue addressed in today's decision is:

If any, what outstanding barriers, gaps, improvements in documentation and partnerships remain with Community Based Organizations in order to make sure that the hardest-to-reach customers navigate important relief programs.

Consideration of relief for energy customers impacted by the COVID-19 pandemic necessarily relies upon broader Commission proceedings authorizing ongoing customer assistance, including the Disconnections Rulemaking,⁴⁷ Affordability Rulemaking,⁴⁸ and the CARE/ESA Applications.⁴⁹ In particular, issues of debt and disconnection are considered broadly in the Disconnections Rulemaking, and this proceeding may be understood as a subset of the Disconnection Proceeding going forward. We addressed the overlap between proceedings in the Scoping Memo, stating, "As such, the instant proceeding will rely on experience and data developed in related proceedings though the activities in this proceeding are necessarily conducted on an expedited basis."

Party comments in response to the following scoping questions⁵⁰ inform this decision.

10. How can arrearage relief integrate with the recently adopted orders in D.20-06-003? Are any adjustments needed?

⁴⁷ R.18-07-005.

⁴⁸ R.18-07-006.

⁴⁹ A.19-01-003, *et al.*

⁵⁰ Numbers are from the scoping memo

11. Should arrearage relief be coordinated with the utility transition plans ordered by the Commission in Resolution M-4849, including customer outreach?
12. What lessons, if any, should the Commission leverage from other relevant Commission proceedings addressing disconnections and bill affordability, and why?

This decision utilizes strategies approved for the Percentage of Income Payment Plan approved in D.21-10-012 and analysis of geographic customer groupings produced in R.18-07-006 to identify and prioritize areas and populations the CBO Pilot will target.

3. CBO Pilot Purpose

In D.21-06-036, we determined CBO assistance to be a promising method of assisting customers in meeting the terms of payment plans or renegotiating plans. We also determined that expanding and growing CBO networks is key to reaching utility customers in Environmental and Social Justice (ESJ) Communities and other hard-to-reach populations.⁵¹ At the time, we did not establish funding for such CBO assistance, preferring first to determine whether existing CBO networks were indeed providing such services.

Now that we have a better (although not yet complete) picture of existing CBO networks, we move forward with establishing a framework for a CBO Pilot, with the expectation that the IOUs and the Commission will continue to display

⁵¹ The Commission defines ESJ communities as: predominantly communities of color or low-income, underrepresented in policy settings or decision-making processes, subject to a disproportionate impact from one or more environmental hazards, and likely to experience disparate implementation of environmental regulations and socioeconomic investments in their communities. Information about the Commission's ESJ Action Plan available on the Commission website at <https://www.cpuc.ca.gov/news-and-updates/newsroom/environmental-and-social-justice-action-plan>.**Error! Hyperlink reference not valid.**

and improve the picture of where and how CBOs amplify IOU efforts to assist customers.

3.1. Gap #1: Case Management

There is widespread acknowledgement by parties that case management is not prioritized in the scope of work for paid CBOs. Existing CBOs paid through IOU contracts primarily perform outreach and engagement functions, including messaging, communications and branding utilized by current CBOs to engage customers.

The CBO Pilot envisioned here is focused on case management for a relatively small group of customers to fill this gap. Case management, for the CBO Pilot, is defined as repeated interventions with a customer over time to accomplish a particular goal. In particular, the pilot will provide funding and instruction for CBOs to follow-up with customers until the customer's arrearage is either eliminated or a concrete plan to eliminate the arrearage over time is established, and the customer is able to execute the plan, and manage current bills going forward.

3.1.1. Bill Presentations May Heighten Customer Confusion

The ERAP Evidentiary Hearing, together with the November 9, 2021 Workshop, revealed an underlying flaw in delivering customer assistance and relief: the inability of the customer to understand their utility bill debt, including how and when payments are applied to the total amount due. The IOUs explained that, from a customer perspective, there is no reasonable way for a customer to understand how much relief was applied and how it may impact the customer's total debt remaining on their monthly utility bill. The CBO representative speaking at the workshop indicated a similar inability to know or

help a customer know which assistance was most useful in solving their debt problem. The bill confusion identified at the workshop is documented in additional IOU research.⁵²

We are concerned that the current forms of relief available may simply resolve debt without distinguishing between the amount due, and prior amount owed. To address this issue the CBO Pilot should include follow-up sessions with the customer in the year following the resolution of debt, with reporting on whether the customer remained current in their utility account or, based on their first case management lessons and experience, was better able to address any newly occurring debt. The CBO Pilot should tackle the “black box” (difficulty for CBO to track progress after the application is filed) identified by panelists at the November 9, 2021 Workshop, and acknowledged by IOU witnesses at the ERAP hearing.⁵³

3.2. Gap #2: Targeting, By Geography and Community Type

The IOU CBO Network Template, supported by statements of the IOU representatives,⁵⁴ reveal that IOUs have general but not specific information about the geographic locations in which CBOs operate other than at the county level.⁵⁵

⁵² “More than half of respondents found one or more parts of their SCE bill to be confusing or difficult to understand. Some customer dialed in on specific sections of the bill while others cited overarching sources of confusion with the information presented on the bill.” *Bill Salience, Bill Design, and their Impacts on Residential Energy Consumption*, dated January 14, 2022 available at <http://www.calmac.org/download.asp?id=3845>.

⁵³ Liberty Hill described the process of completing the customer’s initial enrollment as a “black box,” where one is unable to determine the follow-up beyond submitting the application.

⁵⁴ Reporter’s Transcript of November 9, 2021 Workshop at 77:17-23, 78:15-28, 79:1-8.

⁵⁵ “Information not currently available to the IOUs will be delivered as the CBOs respond to the IOUs’ request for the data. This includes, but is not limited to, geographical coverage such as

At the November 9, 2021 Workshop, MICOP explained the importance of developing assistance techniques that incorporate familiarity with the target community. For example, the MICOP used a promotora (promoter) model based on Latin American approaches and utilized an in-house community radio station to reach farm workers before and after their workday.

3.3. Gap #3: Navigating Multiplicity of Relief and Assistance Programs

The IOU CBO Network Template reports the number of programs on which each CBO is associated under the heading “CAP Outreach by CBO.” Consistent with SDG&E comments, the IOU CBO Network Template indicates SDG&E has the most comprehensive cross-training of CBOs hired to promote certain IOU programs.⁵⁶ PG&E’s reporting by CBO demonstrates significant cross training as well. TURN characterizes the problem, “there is a significant gap with respect to clearly explaining to CBOs — and therefore, to customers — how best to strategically manage the overlay and sequencing of different programs.”⁵⁷ Such a gap existed prior to the state CAPP program and now is only worse.

TURN proposes that the Working Group be tasked with understanding and instructing how best to combine programs. We agree that effective case management requires CBOs to consider all available programs that may reduce

zip code information, and organizational information such as the number of people served monthly by each CBO.” AL 5857-B at 5. PG&E 5857-A at 3.

⁵⁶For some CBOs, SDG&E CBO Outreach is inclusive of Rate Plans, Energy Efficiency, Customer Generation Programs, Electric Vehicles, COVID-19 Relief, CARE, Customer Generation Relief, Disconnections, ESA, Medical Baseline, LIHEAP.

⁵⁷ TURN Opening Comments at 4.

customer utility bill debt, immediately and ongoing. The CBO Pilot Working Group shall consider this problem and propose solutions in their final proposal.

3.3.1. Immediate Triage and Trouble-Shooting to Facilitate Resolution of Arrearages

In establishing the new COVID-19 ME&O CBO grants in 2021, PG&E notes “CBOs were provided direct access to a PG&E Liaison to answer any questions or clarify any program details encountered during outreach efforts.”⁵⁸ PG&E also cites the need to solicit and incorporate CBO input. To do so, PG&E reports it will survey currently participating CBOs on their experience with COVID debt relief outreach, host focus groups and other meetings.⁵⁹ Several CBO administrators cautioned against developing a program without CBO input and then bringing in the CBO as an afterthought.

Leadership Counsel/ CEJA/Greenlining recommend opportunities for party feedback throughout the program and also provide examples in the Solar Multifamily Affordability Housing program where the first-year program required several adjustments as the program developed.

SoCalGas recommends troubleshooting and oversight through the monthly and annual CARE/FERA/ESA monthly reporting.

3.4. Residential Customers Will Remain In Debt After Application of CAPP

The IOUs applied for \$915 million in CAPP relief and received approximately \$686 million for their customers. The CAPP relief will reduce residential customer debt by 75 percent for the 15-month period between March 2020 and June 2021. However, arrearages continued to accumulate during the fall of 2021,

⁵⁸ AL 5857-A, *et al.* October 6, 2021, Attachment B (p. 2, Footnote).

⁵⁹ AL 5857-A, *et al.* October 6, 2021, Attachment B at 5.

to a total of \$1,826 million by December 31, 2021. Considering all known residential debt to-date, CAPP relief is estimated to reduce residential customer debt by 38 percent.

Table 2: CAPP Relief⁶⁰

	PG&E	SCE	SDG&E	SoCalGas	TOTAL
Number of customer accounts	408,000	269,000	109,000	335,000	1,121,000
\$ debt	\$399M	\$317.9M	\$81.2M	\$116.9M	\$915M
\$ relief	\$340M	\$205M	\$62.5M	\$78.7M	\$686M
Percent of debt relieved	85%	64.5%	77%	67%	75%
Status of relief	Approved 1/21/22	Approved 1/22/22	Approved 1/20/22	Approved 1/6/22	
Average debt per customer	\$978	\$1,182	\$745	\$349	\$816
Average relief per customer	\$833	\$762	\$573	\$235	\$612

Source: <https://www.csd.ca.gov/Pages/CAPP.aspx>.

4. CBO Pilot Working Group Charge

Overcoming the identified gaps in existing IOU CBO networks requires further development before funding is authorized. This decision creates a CBO Pilot Working Group and delegates to the CBO Pilot Working Group the charge to include certain parameters in the CBO Pilot including (1) scope must include case management; (2) communities targeted by highest electric charges relative to the resources of the community; (3) an ERAP model for informal reporting, tracking and informal, nonprofessional evaluation; and (4) development of remaining features of the program consistent with these parameters.

⁶⁰ To be applied to customer accounts by end of March 2022, for arrearages accumulated between March 2020 and June 2021.

Consistent with the information set out in the Appendices to this decision, the CBO Pilot Working Group shall incorporate the defined parameters and develop a budget, payment structure, CBO training and formal evaluation processes. We identify PG&E to convene the CBO Pilot Working Group and, on behalf of the CBO Pilot Working Group, file a complete proposal within 90 days of the issuance of this decision in the Disconnections Proceeding, R.18-07-005. The Disconnections Proceeding is the logical umbrella proceeding as it considers arrearages and disconnections overall.

4.1. Customers and CBOs Eligible

The Commission employs a variety of definitions for communities in need of assistance. The number of households defined as vulnerable by the various definitions account for a majority of Californians,⁶¹ which is too many to support through the CBO Pilot. Similarly, party recommendations on prioritizing communities for relief capture broad swaths of California.

To focus this preliminary effort, we direct the CBO Pilot Working Group to utilize additional criteria to narrow the communities targeted. For the initial program proposal, the CBO Pilot Working Group should leverage the Commission's affordability metrics,⁶² which provide a readily available,

⁶¹ At least 25 percent of California households are captured through the Commission's designation of Disadvantaged Communities. Approximately 30 percent of California households, inside and outside of Disadvantaged Communities, are captured by the eligibility standards for low-income assistance programs. The Commission designates more Californians as ESJ communities beyond those in Disadvantaged Communities or eligible for the low-income assistance programs including: households with income below 80 percent of the area median income, people in predominately communities of color (the 2020 U.S. census reports 65 percent of Californians as non-white), all people living on tribal lands and people underrepresented in policy and decision-making and people disproportionately pollution-burdened.

⁶² In D.20-07-032, the Commission adopted Affordability Metrics providing the power to divide and rank California into small geographic areas by resource levels and affordability of essential

reasonable method to narrow ESJ communities to those likely to have become most vulnerable to disconnection of essential electric and gas service during the COVID-19 pandemic. Target communities for this initial effort and their associated zip codes can be found in Attachment D to today's decision and viewed on the Commission's interactive Affordability map at⁶³

<https://www.cpuc.ca.gov/industries-and-topics/electrical-energy/affordability/affordability-ratio>.⁶⁴

The Commission's Affordability Proceeding has adopted several methods to divide California into small geographic areas and rank each area by resource levels, taking into account how much communities must spend to pay for a bare minimum amount⁶⁵ of utility service.⁶⁶ Both the utility bill data and demographic

quantities of utility service. Complete details can be found here
<https://www.cpuc.ca.gov/industries-and-topics/electrical-energy/affordability>.

⁶³ The Commission's 2020 update to the Affordability Ratio map will not be posted publicly until April 2022 but the 2019 Affordability Ratio map nearly matches the 2020 data on which the CBO Pilot targeted communities are identified.

⁶⁴ To view the CBO Pilot communities on the Commission's interactive Affordability map, the viewer must take three actions: 1. Click the "electric" option at the top of the California, 2. Select from the options alongside the map the AR50 (Affordability Ratio) and select as the "Electric Maximum" the value 0.05. The CBO Pilot communities highlighted in red or dark orange will be the CBO Pilot targeted communities. Moving one's cursor over the map will identify the names and associated affordability ratios of each community.

⁶⁵ D.20-07-032 adopts the term *essential service* to represent the bare minimum amount of utility service necessary for household consumption.

⁶⁶ D.20-07-032 adopts the Affordability Ratio (AR) as one of three metrics to gauge affordability by community. The AR produced by the commission for a representative household in the middle, resource-wise (AR50) and for a representative household at the lower end, resource-wise (20 percent of resources). In recognition that COVID-19 impacted all types of households, we ranked California communities by AR50 to target communities for the CBO Pilot.

data are refreshed annually, and our determination relies upon the most recent data available.⁶⁷

Party recommendations are not targeted enough for the nascent CBO Pilot, but most of the priority communities encompass the party priorities.⁶⁸ Cal Advocates recommends targeting customers at the same time the customer learns they are at risk of disconnection. CforAT/National Consumer Law Center (NCLC) suggest prioritizing communities of color to promote equity, yet CforAT/NCLC state they lack data to precisely find these communities.⁶⁹ They suggest utilizing areas with high disconnection rates, as well as participation in low-income assistance programs. They also recommend including Medical Baseline customers as a priority population though it is not income-qualifying. Leadership Counsel/CEJA/Greenlining object to establishing criteria to pick who is or is not deserving of relief. Most parties reference the CARE and FERA standards for identifying and prioritizing low-income customers in need.

In contrast with income-qualifying programs, the CBO Pilot Working Group is directed not to require households residing in zip codes associated with these targeted communities to demonstrate their need or document their income or participation in low-income programs. The COVID-19 pandemic is

⁶⁷ The most recent data published in the Affordability Proceeding is based on 2019 census and utility bill data, and the 2020 data is anticipated to be published by April 2022.

⁶⁸ Party recommendations in response to Question 9, “How might any new COVID arrearage relief be targeted to customers most at risk of being disconnected?” from the April 2, 2021 ALJ Ruling Inviting Responses to Post-Workshop Questions and Extending Filing Dates of Briefs. Questions 10a and 10b also solicited party recommendations on fairness and equity in providing assistance and relief.

⁶⁹ We note that CalEnviroScreen 4.0, the tool utilized by the Commission to determine Disadvantaged Communities, has researched the intersection of communities of color with the rankings of communities by disadvantage. Their analysis is available here. <https://storymaps.arcgis.com/stories/f555670d30a942e4b46b18293e2795a7>.

understood to have impacted households of different resource types, and notably the state budget relief distributed through CAPP had no income qualification. Rather, unpaid utility debt associated with the COVID-19 period, is the basis for distributing the CAPP relief to all residential customers. The proposal submitted by the CBO Pilot Working Group should choose communities that, as a group, are where the incomes are some of the lowest in the state, climate conditions are relatively extreme, and electric bills annually are between \$1,000 to \$2,000. For example, households with middle incomes in these communities, after paying for housing and utility services, have around \$30,000 left in their total household budget for the year. Households at the lower-income end in these communities, after paying for housing and utility services, would have around \$10,000 left in their budget for the year.

4.2. IOU Contract Administrators

The CBO Pilot Working Group shall consider whether one IOU, or each IOU with targeted communities in their service territory, shall administer the contract(s).

There are two advantages to having the IOUs administer the contracts. First, IOU contracting is likely to be more expeditious than other options. Second, the IOUs are the only entity with direct knowledge of individual customer accounts and arrearages. Similar to the ERAP program experience, when IOUs identified customers with the greatest debt problems and referred them to the ERAP program, IOUs may also refer customers in targeted communities most at risk of disconnection to the CBO Pilot.

4.3. Scope of Work

The CBO Pilot Working Group shall incorporate into their final proposal the Scope of Work in Attachment B to this decision.

4.4. Funding Source and Compensation Model

The CBO Pilot will be funded through the CPPMA as it is the most readily available source of funds and is specific to COVID-19 relief efforts.

The CBO Pilot Working Group shall finalize a recommendation for the compensation model for the CBO Pilot in the proposal to be filed in the Disconnections proceeding. The proposal should give priority consideration to a grants model to focus CBO efforts primarily on service to their customers and less on reporting and documentation. Additionally, because IOUs can directly observe changes to the customer accounts in the targeted communities, there is less need for the CBOs to report arrearage statistics since the IOUs have direct access to this data. IOUs, in consultation with the CBO Pilot Working Group, should consider requiring CBOs to provide reporting on issues and features that are not easily observable from the status of the served customers' utility accounts.

4.5. IOUs to Transform the IOU CBO Network Template Into IOU CBO Network Database and Map for Consideration By the CBO Pilot Working Group

The CBO Pilot Working Group will rely upon a transformed version of the IOU CBO Network Template to inform their proposal for the CBO Pilot, and to support their proposal to rely upon existing CBOs or solicit CBOs not yet contracted with by the IOUs. The IOUs shall create a single statewide database and map with confirmed and updated data for the geographic areas, and types of communities served by each CBO. Both the database and map shall be updated quarterly starting within 90 days of the issuance of this decision. Additionally, the IOUs shall identify in the map the targeted zip codes listed in Attachment D and include, for all zip codes, baseline arrearage and

disconnection data in order to track progress toward the goal of reducing debt for these communities and to provide a holistic picture of arrearages and disconnections across the state.

As described in Section 1.2, *supra*, two critical features of the IOU CBO Network Template are incomplete: more specific, confirmed data on CBO geographies and audiences reached. Additionally, the IOUs shall standardize the inclusion of LIHEAP CBOs, CHANGES CBOs, and CARE Capitation Contractors and clearly designate CBOs as such. Finally, the IOUs shall choose one IOU to become the producer and distributor of a map displaying the data in the database. The map and all associated source files (*i.e.*, shapefiles) shall be shared with the Commission within 30 days of each quarterly update for posting on the CPUC Energy Arrearages website,⁷⁰ as well as posted on the IOU's respective websites and be made available to the public.

4.5.1. PG&E Tasked with Convening CBO Pilot Working Group

Of the four IOUs, PG&E has developed two new RFPs in 2021 and 2022 and hosted focus groups, specific to exploring how CBO networks can better support customers during the COVID-19 pandemic. PG&E also cites to some of the CBOs it works with performing case management.⁷¹ In anticipation that PG&E will be able to leverage their current work to inform the CBO Pilot, we identify PG&E as the convenor of the CBO Pilot Working Group. Specifically, we require PG&E to host the remote meetings, file, on behalf of the CBO Pilot

⁷⁰ <https://www.cpuc.ca.gov/consumer-support/consumer-programs-and-services/electrical-energy-and-energy-efficiency/energy-utility-arrearages>.

⁷¹ Reporter's Transcript of November 9, 2021 Workshop at 84:8-9 and 17-21.

Working Group, the complete proposal and nonprofessional report⁷² of the working group in R.18-07-005.

Furthermore, as the convenor of the CBO Pilot Working Group, PG&E will include in its filing in R.18-07-005 a proposal for evaluation or “lessons learned” after the CBO Pilot has been in effect for one year. In opening comments on the Staff Proposal, PG&E introduced a method of evaluation worth considering. PG&E identifies that evaluation must incorporate the complexity of case management and the difficulty of influencing outcomes. To illustrate, PG&E provided a concrete, relevant example of an evaluative technique appropriate to such complexity. PG&E intends to compare AMP attrition between the CBOs and its own customer service representatives providing individualized communication support for AMP customers.

4.5.2. Identify CBOs Familiar with the Targeted Communities

Once the IOUs create and make available the IOU CBO Network Database and Map, the CBO Pilot Working Group shall utilize this information to examine which types of CBOs currently serve the targeted communities, whether the expertise of the existing CBOs serving the zip code are well matched with the types of communities in and around the zip code, and determine if new CBOs should be solicited, to ensure the community receives services from local CBOs familiar with the specific needs and challenges of the community.

⁷² A nonprofessional report means a report developed and prepared without compensation by the members of the CBO Pilot Working Group. It may take the form of a assessment, or document describing lessons learned, derived from the tracking and from qualitative discussions, meetings and or workshops conducted by the CBO Pilot Working Group.

4.5.3. Budget

The record in this proceeding lacks enough information on which to develop a budget. Necessarily we defer to the CBO Pilot Working Group to propose a budget based on serving a specific number of residential customers, to be recommended by the CBO Pilot Working Group, over a two year period.

4.5.4. Structure of Payments

Many parties and workshop presenters emphasize that structuring payments to incentivize CBO performance is the wrong way to think about getting the job done.⁷³ CBOs, for the most part, are mission driven organizations. Most workshop presenters and many commenters indicate the partnership relationship is a mutual beneficial goal, and the goal is to collaborate, and bring the information and technical knowledge of the utility together with the CBO that knows the community, through high-level communication. In fact, SoCalGas pointed out that many CBOs are volunteer-based. These factors should be taken into account when proposing a payment structure; specifically, the CBO Pilot Working Group should consider a grant-based payment structure.

4.5.5. CBO Training, Partnerships, and Tools

In addition to serving customers, the CBO Pilot Working Group should develop and include in the final proposal strategies to build CBO capacity for case management of the multiplicity of assistance programs.

“So the hardest thing is the handshake between, you know, the outreach and the case management I brought up before.”⁷⁴ “Outreach is the first step. And once you go on from there, then we move on from there to look at all the options

⁷³ EBMUD, MCE, MICOP, and BAAQMD.

⁷⁴ Reporter’s Transcript of November 9, 2021 Workshop at 129:4-6.

and the enrollment and package it all for the client in the best — their best interest.”⁷⁵

Case management depends upon a feedback loop, knowing how well a strategy fits a customer’s unique situation. ACCES explained in depth how they are limited in stacking programs and following up to see if the customer needs help after the initial engagements. SCE agrees that ongoing coaching, or continuous contact with customers, is an area which needs expansion. SDG&E sees an area for additional CBO training, and for enhancing the feedback loop from CBOs in order to better understand what is happening on the ground.

4.5.6. Reporting and Evaluation

The CBO Pilot goal is similar to the goal we articulated in directing IOUs: to case manage customers to access program relief in order to reduce or eliminate customer debt. The main difference is the CBO Pilot should utilize all available and appropriate assistance while the ERAP example was only one assistance program. While we will defer to the CBO Pilot Working Group to propose a tracking and evaluation process, we direct the CBO Pilot Working Group to consider the ERAP tracking and reporting as a starting point.

The new map associated with the IOU CBO Network Template should be considered for tracking program progress, as we direct the IOUs to include on the map a display of arrearages and disconnections associated with the targeted communities.

The CBO Pilot Working Group should consider methods by which to track (1) the degree to which a customer’s debt is reduced; and (2) for customer accounts for which the debt is not eliminated by the application of all assistance

⁷⁵ Reporter’s Transcript of November 9, 2021 Workshop at 119:22-26.

after the case management period concludes, the continued reduction of the debt amount, or (3) for customer accounts for which the debt is entirely eliminated at the conclusion of the case management period, the persistence of the account remaining in good standing for the 12 months after the case management conclusion.

4.6. Small Business Customers

SBUA recommends inclusion of small business customers in the CBO arrearage assist program. While we agree that small businesses in targeted areas will also need support, the unique needs of small business customers should be considered through the small business pilot.

5. ERAP Reporting to Continue Monthly

Utilities have provided weekly reports to the Energy Division since April 2021 on ERAP. The Ruling directing the reporting anticipated that reporting would cease once the relief was distributed to all applicants, or once applicants were determined not to qualify for relief. As described in Section 1.5, the majority of applications remain in limbo; there is no indication that their applications have been denied, yet there is also no indication that they will be provided the relief they applied for. As ERAP payments appear to have slowed but not stopped, and the ERAP metrics continue to generate useful information, we change the frequency of ERAP reporting requirements from weekly to monthly.

6. Conclusion

The CBO Pilot Program to be adopted in R.18-07-005 is necessary due to the utility bill debt crisis in California that predated the COVID-19 pandemic, and has only been exacerbated by it. Nevertheless, filling identified gaps through a CBO Pilot should be considered more generally after the program concludes,

because utility bill debt and disconnection for nonpayment are ongoing problems.

This decision identifies the following gaps in the IOUs' existing CBO networks: (1) case management; (2) knowledge of geographic areas covered; and (3) ability to support customers in combining assistance and relief to their advantage. This decision establishes a CBO Pilot Working Group to address the identified gaps and ensure a well-rounded proposal for a CBO Pilot Program. This decision creates a CBO Pilot Working Group with diverse representation, charged with submitting a final proposal to the Commission within 90 days of issuance of this decision. Not only will the CBO Pilot directly assist customers unable to resolve their utility bill debt associated with the COVID-19 pandemic, it will also begin building the capacity of CBOs for the future.

7. Comments on Proposed Decision

The proposed decision of ALJ Camille Watts-Zagha in this matter was mailed to the parties in accordance with Section 311 of the Public Utilities Code and comments were allowed under Rule 14.3 of the Commission's Rules of Practice and Procedure. Comments were filed on _____, and reply comments were filed on _____ by _____.

8. Assignment of Proceeding

Darcie L. Houck is the assigned Commissioner and Camille Watts-Zagha is the assigned Administrative Law Judge in this proceeding.

Findings of Fact

1. State relief approved through the CAPP program is estimated to relieve thirty-eight percent of residential utility bill debt reported in the Disconnections Proceeding as of December 31, 2021 and associated with the COVID-19 pandemic.

2. The IOU CBO Network Template approved by the Commission remains under development.

3. The IOUs indicate a need to further develop the IOU CBO Network Template by confirming locations served by CBOs, particular communities targeted, and updating the information annually.

4. The IOUs have recommended creation of a database to support displaying the data contained in the IOU CBO Network Template on a map that overlays multiple geographic boundaries and areas similar to the Commission's maps produced in the Affordability Rulemaking.

5. The IOUs file reports monthly containing number of disconnections by zip code in R.18-07-005.

6. The IOU CBO Network Template allows for the identification of the following gaps in existing IOU CBO networks: case management, lack of knowledge of which specific communities are targeted by each CBO, and CBO limits in supporting a comprehensive set of assistance programs.

7. CBO case management is a promising approach to help certain customers access the variety of utility relief programs and to combine the varied utility relief programs to their advantage.

8. Case management is not currently included in the IOUs' scopes of work for contracted CBOs.

9. IOUs were directed to case manage a sample group of customers to apply for ERAP assistance.

10. For the ERAP program, the IOUs successfully identified customers with significant amounts of debt and assisted customers with applying for ERAP program relief.

11. IOUs reported weekly on the status of their ERAP case management efforts as directed in this Rulemaking.

12. Weekly ERAP reporting coupled with a hearing to describe the process allowed the Commission to identify obstacles to securing ERAP relief for some customers.

13. Customers with utility bill debt need assistance beyond the application stage in order to ensure the relief is secured and the customer understands how the relief appears on the utility bill and how to manage future bill payments.

14. Customers will benefit from ongoing coaching and guidance beyond the point of enrollment in utility assistance applicable to their particular needs related to reducing utility bill debt and averting disconnection of utility service.

15. IOUs, the Commission and the state already operate CBO networks with extensive ME&O, also known as customer engagement, about utility assistance and relief programs.

16. PG&E solicited new contracts in 2021 and 2022 for CBOs to address debt resolution associated with the COVID-19 pandemic.

17. The Commission's definition of ESJ communities includes: predominantly communities of color or low-income, underrepresented in policy settings or decision-making processes, subject to a disproportionate impact from one or more environmental hazards, and likely to experience disparate implementation of environmental regulations and socioeconomic investments in their communities.

18. The Commission's Affordability Proceeding provides metrics and tools to divide California into communities and rank communities by various metrics including typical expenditures on utility services relative to incomes and other resource indicators.

19. The Commission's adopted affordability metrics update utility bill values and census-based demographic values annually.

20. The Commission's adopted affordability metrics provide a readily available, reasonable method to narrow ESJ communities to those likely to have become most vulnerable to disconnection of essential electric and gas service during the COVID-19 pandemic.

21. The Commission's adopted affordability metrics utilizing 2020 utility bill and census indicators are available but have not yet been published publicly and are appropriate to target communities impacted by the COVID-19 pandemic.

22. Examining existing CBO network structures and existing CBOs will expedite development of a CBO Pilot.

23. The Commission's direction to the IOUs to help their customers secure access to utility bill relief through ERAP included customer targeting, outreach and engagement, case management and tracking and reporting, for a small sample of customers.

24. IOU execution of case managing customers to secure funding through ERAP during the COVID-19 pandemic provides lessons learned in developing a CBO Pilot.

25. In order for CBOs to help customers combine utility and other relief programs to their advantage, they will need training, technical assistance and capacity building on the variety and array of assistance to relieve utility bill debt.

26. IOUs, in consultation with the CBO Pilot Working Group, are in the best position to train CBOs on the variety and range of assistance programs available to relieve utility bill debt.

27. Reaching diverse communities requires CBOs familiar with small communities and the type of households living in small communities.

28. Requiring individual CBOs to invoice and report frequently in order to be paid for their services may divert CBO attention away from where it is most needed, which is providing services to its constituents.

29. Providing grants to CBOs carefully selected and matched to the communities targeted for the CBO Pilot should be considered by the CBO Pilot Working Group as appropriate to allow CBOs to prioritize serving customers over paperwork.

30. The CPPMA is the most readily available source of funds and is specific to COVID-19 relief efforts.

Conclusions of Law

1. It is reasonable to require the IOUs to continue developing the IOU CBO Network Template as proposed in accordance with their approved AL 5857-B, *et al.*

2. It is reasonable to require the IOUs to transform the IOU CBO Network Template into an IOU CBO Network Database and Map.

3. It is reasonable for the map associated with the IOU CBO Network Template to highlight communities targeted for the CBO Pilot and to display arrearage and disconnection data for the zip codes associated with these targeted communities.

4. It is reasonable to require PG&E to convene a CBO Pilot Working Group to review and develop the parameters of a program included as Attachment B to this decision.

5. It is reasonable to adopt the following CBO Pilot Working Group provisions:

- a. The CBO Pilot Working Group should propose a CBO Pilot Program that addresses the elements set out in Attachment B to this decision, and propose a method to

- confirm tracking and reporting to develop a nonprofessional report of lessons learned after the CBO Pilot is operation for one year, evaluation plan, and the long-term program design, including funding sources for the program;
- b. The CBO Pilot Working Group shall be comprised of the representatives listed in Attachment A.
6. It is reasonable to consider development of a CBO Pilot for a specific number of residential utility customers, to be proposed by the CBO Pilot Working Group over a two-year period during the calendar years 2022, 2023 and 2024 that may be funded through a surcharge on all ratepayer classes.
7. It is reasonable for PG&E, as the convening entity for the CBO Pilot Working Group, to file the final CBO Pilot Program Proposal on behalf of the CBO Pilot Working Group in R.18-07-005.
8. Filings of the nonprofessional lessons learned from the CBO Pilot Working Group and the professional evaluation should be made in R.18-07-005.
9. The CBO Pilot Working Group should consider the ERAP Tracking and Reporting and propose tracking metrics in the filing in R.18-07-005 with the CBO Pilot Working Group proposal for the CBO Pilot Program to be filed by PG&E on behalf of the CBO Pilot Working Group.
10. It is reasonable for PG&E, SCE, SDG&E and SoCalGas to track and report the progress that CBOs contracted with the CBO Pilot make toward resolving customer debt.

O R D E R

IT IS ORDERED that:

1. Pacific Gas and Electric Company shall convene a meeting of stakeholders to form a Community Based Organization Arrears Case Management Pilot

Working Group comprised of representatives identified in Attachment A to this decision within 30 days of the issuance of this decision.

2. Pacific Gas and Electric Company, Southern California Edison Company, San Diego Gas and Electric Company, and Southern California Gas Company shall produce a single statewide database and map of Community Based Organizations (CBOs). The database and map shall be inclusive of the following data:

- (a) Low-Income Home Energy Assistance Program Local Service Providers designated as such;
- (b) CBOs working with the Telecommunications Education and Assistance in Multiple Languages/Community Help and Awareness of Natural Gas and Electric Services programs designated as such;
- (c) CARE Capitation contractors designated as such;

For each CBO:

- (d) confirmed and updated zip codes associated with the geographic areas served;
- (e) confirmed and updated types of communities which the CBO has expertise in serving;

For each zip code:

- (f) highlight the targeted zip codes listed in Attachment D;
and
- (g) baseline arrearage and disconnection data for all zip codes.

3. Pacific Gas and Electric Company, Southern California Edison Company, San Diego Gas and Electric Company, and Southern California Gas Company shall share the database and map of Community Based Organizations (CBOs) and all associated source files (*i.e.*, shapefiles) with the Commission for posting on the Commission Energy Arrearages website and on their respective websites.

Both the database and map shall be updated quarterly, starting within 90 days of the issuance of this decision.

4. The Community Based Organization Arrears Case Management Pilot Working Group shall consider the parameters of a Community Based Organization Arrears Case Management Pilot Program as outlined in Attachment B to this decision and develop and finalize a proposal for the following; budget, contract administration plan, payment structure, and evaluation plan, within 90 days of the issuance of this decision.

5. Pacific Gas and Electric Company shall, on behalf of the Community Based Organization Arrears Case Management Pilot Working Group, file a proposal for a Community Based Organization Arrears Case Management Pilot Program in the docket of Rulemaking 18-05-007 within 90 days of the issuance of this decision.

6. Pacific Gas and Electric Company, Southern California Edison Company, San Diego Gas and Electric Company, and Southern California Gas Company shall report monthly to the Commission's Energy Division the status of customers' pending applications to the California Housing and Community Development Emergency Rental Assistance Program.

7. PacifiCorp, Liberty Utilities, Southwest Gas Corporation and Bear Valley Electric Company, Inc. shall report monthly to the Commission's Energy Division the status of customers' pending applications to the California Housing and Community Development Emergency Rental Assistance Program.

8. Rulemaking 21-02-014 is closed.

This order is effective today.

Dated _____, 2022, at San Francisco, California.